

## **MINUTES**

### **KANSAS BUSINESS HEALTH POLICY COMMITTEE**

**August 2, 2005**

**Kansas Insurance Department  
Topeka, Kansas**

#### **MEMBERS PRESENT:**

Insurance Commissioner Sandy Praeger  
Patty Clark representing Howard Fricke, Kansas Department of Commerce  
Laura Howard, SRS  
Senator Laura Kelly, Topeka  
Jeff Levin, Manhattan  
John Naramore, Lawrence  
Senator Ruth Teichman, Stafford

#### **MEMBERS ABSENT:**

Representative Willa DeCastro, Wichita  
Representative Sue Storm, Shawnee Mission

#### **OTHERS PRESENT:**

Andrew Allison, Kansas Health Institute  
Karen Braman, Deputy Director, Division of Health Policy and Finance  
Bob Day, Director, Division of Health Policy and Finance  
Wendy Dressler, Division of Health Policy and Finance  
Jennifer Edwards, Commonwealth Fund  
Cindy Hermes, Kansas Insurance Department  
Barbara Langner, University of Kansas  
Barbara Torkelson, Kansas Insurance Department

**Kansas Business Health Policy Committee**  
**August 2, 2005**  
**1:00PM – 3:00PM, Kansas Insurance Department**

After introductions of Committee members and guests, Commissioner Praeger welcomed everyone.

Two new Committee members have joined the BHPC: Senator Laura Kelly, Topeka, and Laura Howard, representing the Secretary of SRS.

The minutes from the June 23, 2005 meeting were approved with no changes.

Jennifer Edwards, The Commonwealth Fund (CWF), provided an overview of the foundation. The Commonwealth Fund is a national foundation, based in New York that funds health care research and policy around the country. CWF is trusted to help bring evidence to public policy decisions (i.e. How do you covered the uninsured? How do you make the healthcare system work more efficiently?). CWF funds and publishes this research with the hope that policy decision makers will find the information useful as decisions are being made.

Bob Day, Division of Health Policy and Finance, led a discussion on the health plan to be offered to small businesses through the BHPC. The statute calls for the BHPC to provide health insurance for businesses that have 50 employees or less and whose employees are low wage workers (200% FPL or below). There is \$500,000 allocated for the last quarter of fiscal year 2006 to be used for a subsidy pilot for a product that is offered. The Committee also has the opportunity to take advantage of an improved tax credit for the small business owner. It is \$70 per month for the first year, \$50 for the second year, then \$35 for the third year. The question for the BHPC to decide is: Do we want to offer businesses the credit and the subsidy and how do we want to structure that? Since there is a limited amount of money, the Committee needs to decide the size of business it wants to draw in. It is anticipated that the Governor will ask for more money to fund an ongoing program next year. There is evidence that the smaller the business, the less likely they are to offer health insurance. In order to get the most impact we may want to focus on businesses with 10 or less employees. The subsidy level and the benefit package must be agreed upon by the BHPC.

**Motion:** The motion to offer option 2 to only the employee passed with a proviso that there be a link to the prescription assistance program to be launched soon by the State. (Option 2 has a policy premium of \$233, and would reduce the uninsured by an estimated 12,000 individuals at an estimated annual cost to the state of \$14 million, or \$1,150 per newly insured per year. It does not include a prescription drug benefit.)

**Motion:** The motion to change the ER copay for Option 2 from \$75 to \$100 passed.

The Committee discussed possibly focusing on a specific geographical location such as SW Kansas and Wyandotte County and monitoring take-up rates in those areas before branching out across the state. The Committee also talked about changing the premium split to 30/20/50

(employee/employer/state). Questions asked by the BHPC include: What will businesses pay? What is the actual financial impact on the employee? We need data on the breaking point at which an employee will not enroll in the program.

**Next Meeting:**

Friday, September 23, 2005, 1:00PM – 3:00PM in the 3<sup>rd</sup> floor conference room of the Kansas Insurance Department (420 SW 9<sup>th</sup> Street, Topeka).

You may also check out our website at [http://www.ks governor.org/healthPlanning/workgroups\\_hp.html](http://www.ks governor.org/healthPlanning/workgroups_hp.html) for scheduled meeting dates, times, and locations as well as past meeting agendas, minutes, presentations and handouts.

# Appendix

## 2005 POVERTY LEVEL GUIDELINES ALL STATES (EXCEPT ALASKA AND HAWAII) AND DC

Income Guidelines as Published in the Federal Register on February 18, 2005

Effective Date: February 18, 2005

### ANNUAL GUIDELINES

FAMILY SIZE	100% POVERTY*	120%	133%	150%	170%	175%	185%	190%	200%	250%	300%	400%
1	9,570.00	11,484.00	12,728.10	14,355.00	16,269.00	16,747.50	17,704.50	18,183.00	19,140.00	23,925.00	28,710.00	38,280.00
2	12,830.00	15,396.00	17,063.90	19,245.00	21,811.00	22,452.50	23,735.50	24,377.00	25,660.00	32,075.00	38,490.00	51,320.00
3	16,090.00	19,308.00	21,399.70	24,135.00	27,353.00	28,157.50	29,766.50	30,571.00	32,180.00	40,225.00	48,270.00	64,360.00
4	19,350.00	23,220.00	25,735.50	29,025.00	32,895.00	33,862.50	35,797.50	36,765.00	38,700.00	48,375.00	58,050.00	77,400.00
5	22,610.00	27,132.00	30,071.30	33,915.00	38,437.00	39,567.50	41,828.50	42,959.00	45,220.00	56,525.00	67,830.00	90,440.00
6	25,870.00	31,044.00	34,407.10	38,805.00	43,979.00	45,272.50	47,859.50	49,153.00	51,740.00	64,675.00	77,610.00	103,480.00
7	29,130.00	34,956.00	38,742.90	43,695.00	49,521.00	50,977.50	53,890.50	55,347.00	58,260.00	72,825.00	87,390.00	116,520.00
8	32,390.00	38,868.00	43,078.70	48,585.00	55,063.00	56,682.50	59,921.50	61,541.00	64,780.00	80,975.00	97,170.00	129,560.00

\*For family units of more than 8 members, add \$3,260 for each additional member.

### WEEKLY GUIDELINES

FAMILY SIZE	100% POVERTY	120%	133%	150%	170%	175%	185%	190%	200%	250%	300%	400%
1	184.04	220.85	244.77	276.06	312.87	322.07	340.47	349.67	368.08	460.10	552.12	736.15
2	246.73	296.08	328.15	370.10	419.44	431.78	456.45	468.79	493.46	616.83	740.19	986.92
3	309.42	371.31	411.53	464.13	526.02	541.49	572.43	587.90	618.85	773.56	928.27	1,237.69
4	372.12	446.54	494.91	558.17	632.60	651.20	688.41	707.02	744.23	930.29	1,116.35	1,488.46
5	434.81	521.77	578.29	652.21	739.17	760.91	804.39	826.13	869.62	1,087.02	1,304.42	1,739.23
6	497.50	597.00	661.68	746.25	845.75	870.63	920.38	945.25	995.00	1,243.75	1,492.50	1,990.00
7	560.19	672.23	745.06	840.29	952.33	980.34	1,036.36	1,064.37	1,120.38	1,400.48	1,680.58	2,240.77
8	622.88	747.46	828.44	934.33	1,058.90	1,090.05	1,152.34	1,183.48	1,245.77	1,557.21	1,868.65	2,491.54

Ref: Federal Register: February 18, 2005 Volume 70, Number 33, Page 8373-8375

Instruction for Update:

Visit US Department of Health & Human Service:

<http://aspe.hhs.gov/poverty/05fedreg.htm>